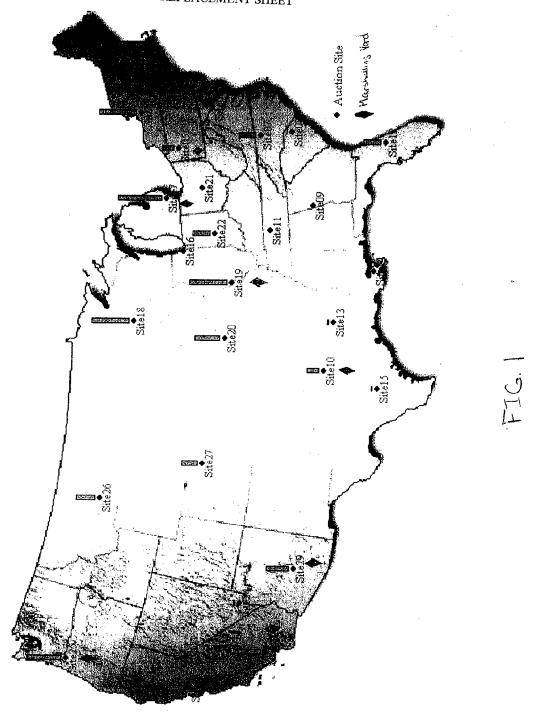
Inventors: CHENG et al. Appl. No. 10/632,799 Sheet 1 of 18 REPLACEMENT SHEET



Inventors: CHENG et al. Appl. No. 10/632,799 Sheet 2 of 18 REPLACEMENT SHEET 240 200 Analysis Module Depreciation Mileage 250 2,45 Determination Module Initial Auction Price Transaction Database 235 Vehicle Feature and Auction Type Wholesale Module Computation Module Elasticity Matrix 255 260 Determination Module Optimization Module Final Auction Price 230 2,15 Seasonality Module Analysis Adjustment 220 Price-Level Retail transaction Modeling Module Database Time-Series Analysis Module Regional Trend

FIG. 1

Inventors: CHENG et al. Appl. No. 10/632,799 Sheet 3 of 18 REPLACEMENT SHEET

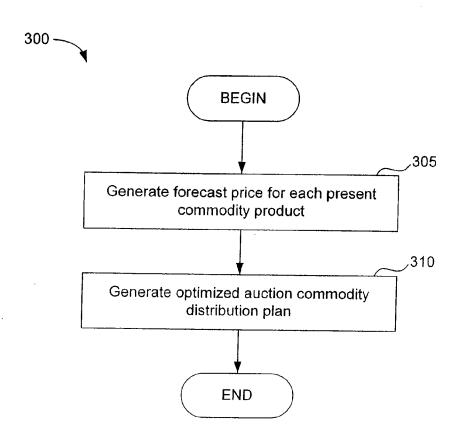


FIG. 3

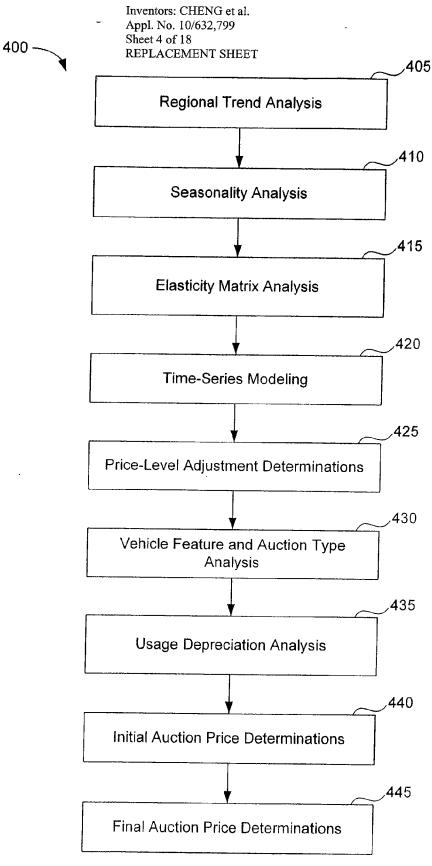


FIG. 4

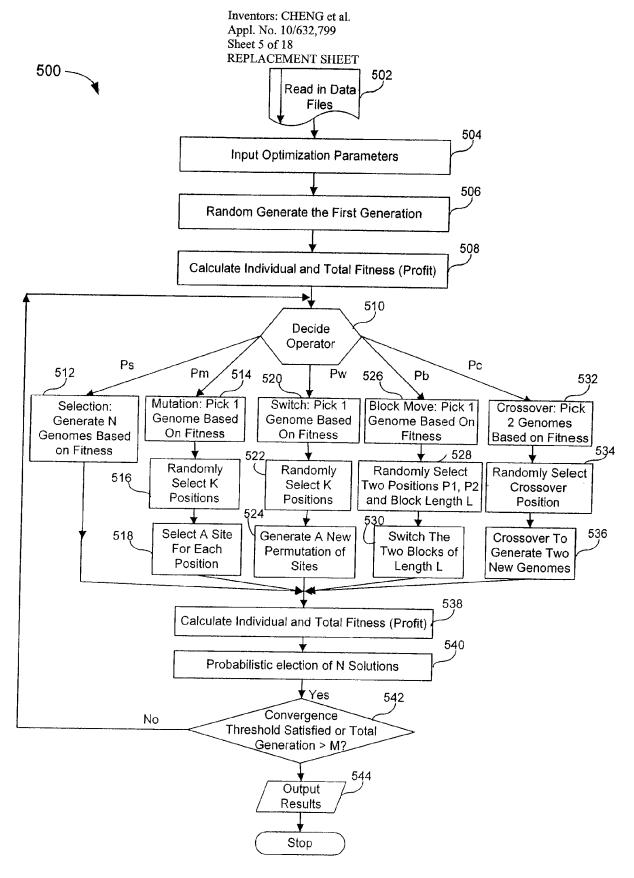
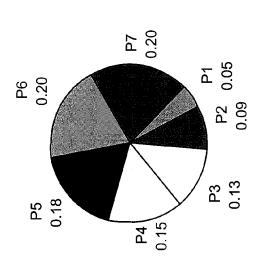


FIG. 5

# Genetic Operators

• Selection

Randomly generates a new generation based on the fitness of the their parents



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## Genetic Operators

- $\begin{array}{ccc} \bullet & Mutation \\ & Randomly \ selects \ N_m \ genes \ from \ a \ genome \end{array}$
- Randomly assigns new auction sites to the N<sub>m</sub> genes

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# Genetic Operators

Switch

- Randomly selects N<sub>s</sub> genes from a genome
- Randomly generates permutation of their auction sites

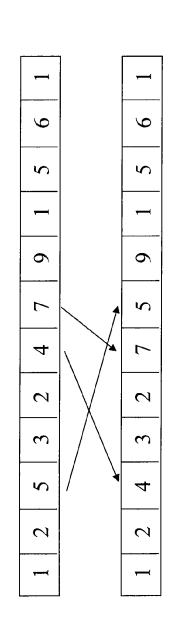


FIG. 8

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# Genetic Operators

#### Block Move

switch two blocks starting at  $p_1$  and  $p_2$  with length of  $N_b$ - Randomly selects two positions p<sub>1</sub> and p<sub>2</sub> in a genome

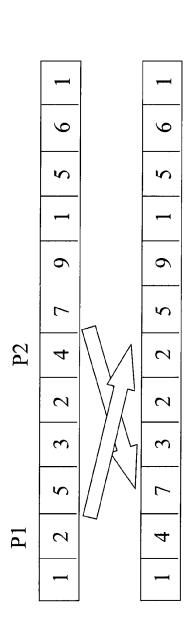


FIG. 9

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#### Genetic Operators

#### Crossover

- Randomly selects 2 genomes based on their fitness
- Randomly selects a position in a genome and crossover the 2 genomes to form two new genomes

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FIG 10

Inventors: CHENG et al. Appl. No. 10/632,799 Sheet 11 of 18 REPLACEMENT SHEET

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Original Auction Vehicle Distribution Plan

FIG. 11

# Optimized Auction Vehicle Distribution Plan

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FIG. 12

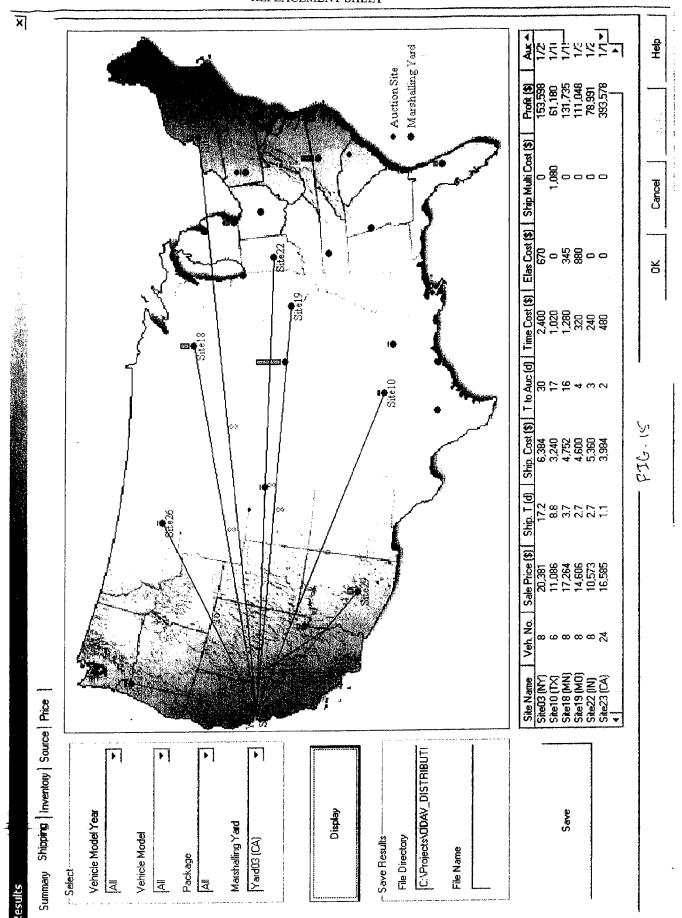
Inventors: CHENG et al. Appl. No. 10/632,799 Sheet 13 of 18 REPLACEMENT SHEET

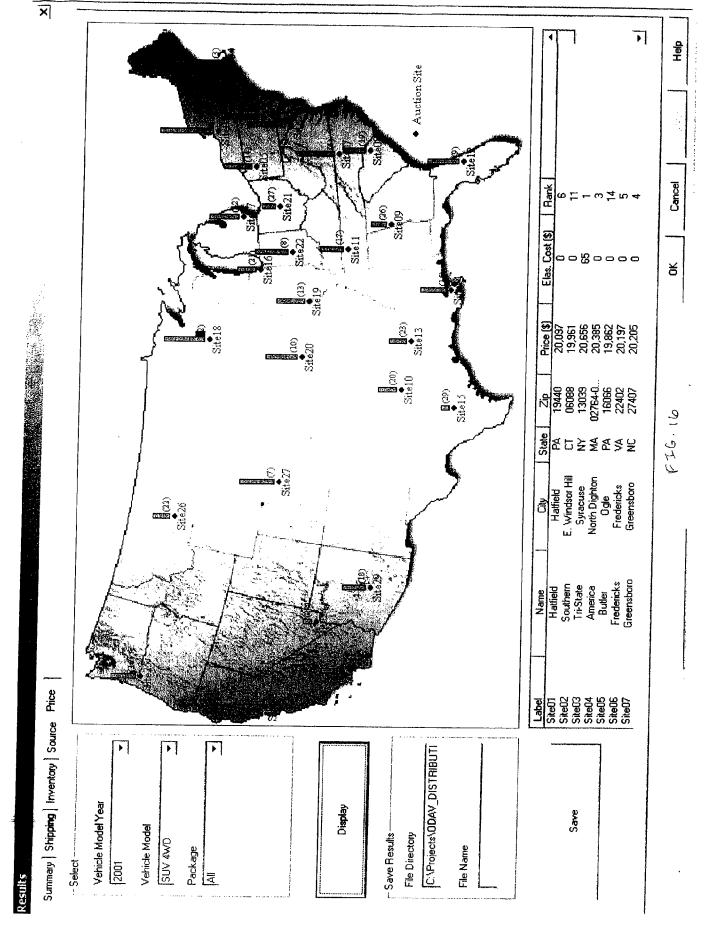
Optimal vs. Original Distribution Plans

	Original (\$)	Optimal (\$)	Change (\$)
Profit	19,291,821	19,599,321	307,500
Auction Revenue	19,557,169	20,145,360	588,191
Shipping Cost	(131,947)	(381,808)	(249,861)
Time Value Cost	(25,158)	(35,314)	(10,156)
Volume Elasticity Cost	(59,230)	(53,770)	5,460
Shipping Waste Cost	(49,013)	(75,147)	(26,134)

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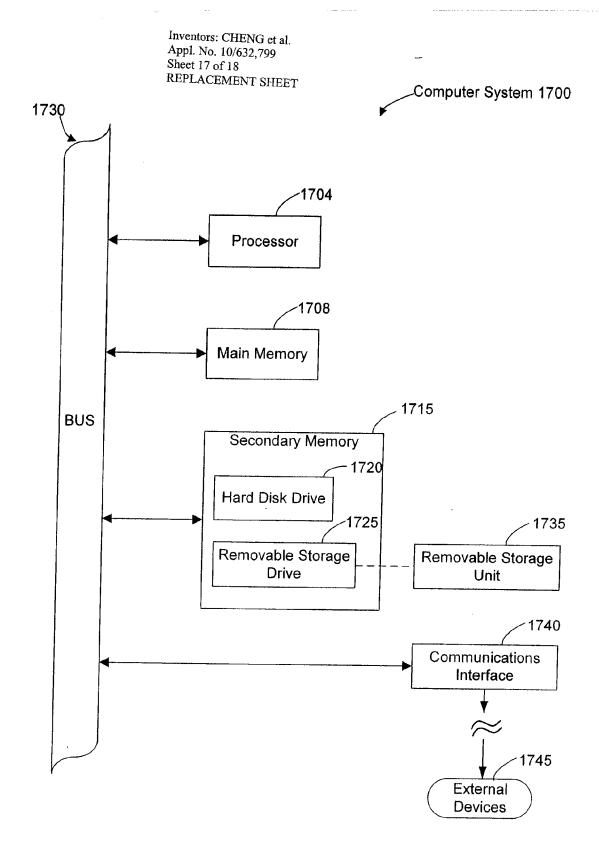


FIG. 17

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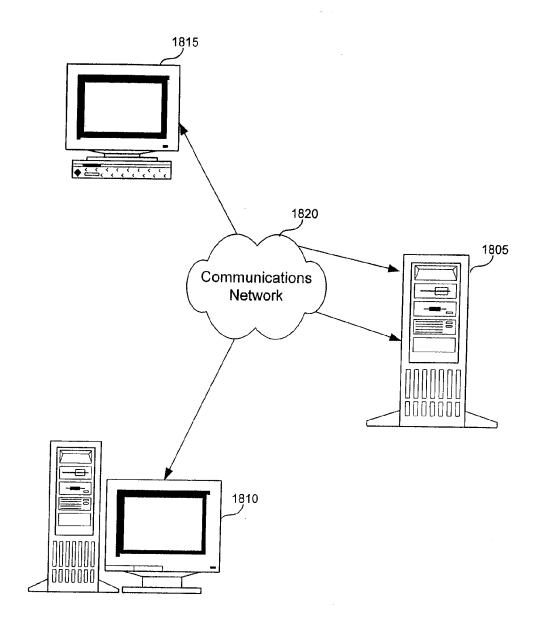


FIG. 18